

TRACT 36787 - Portion of Block 22, Chandeleur Sound Area, St. Bernard Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on October 13, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Northeast corner of Block 22, Chandeleur Sound Area having Coordinates of X = 2,635,350.00 and Y = 455,080.00; thence South 7,375.00 feet along the East line of said Block 22 to a point having Coordinates of X = 2,635,350.00 and Y = 447,705.00; thence West 14,750.00 feet to a point on the West line of said Block 22 having Coordinates of X = 2,620,600.00 and Y = 447,705.00; thence North 7,375.00 feet along the West line of said Block 22 to its Northwest corner having Coordinates of X = 2,620,600.00 and Y = 455,080.00; thence East 14,750.00 feet along the North line of said Block 22 to the point of beginning, containing approximately **1,663 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone), where applicable.

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

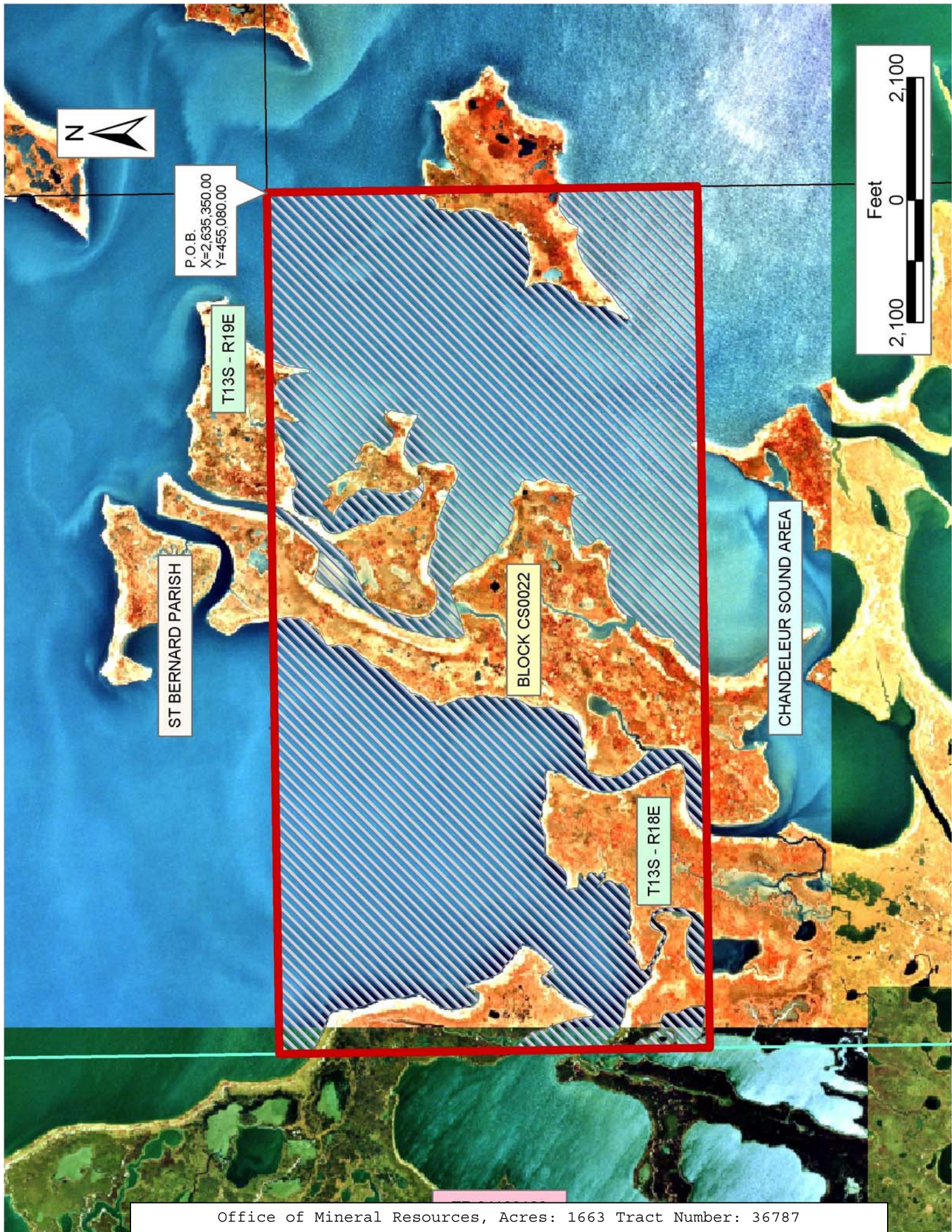
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns,

shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |



TRACT 36788 - St. Bernard Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on October 13, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,610,842.98 and Y = 435,157.00; thence North 14,061.00 feet to a point having Coordinates of X = 2,610,842.98; thence East 9,757.02 feet to a point having Coordinates of X = 2,620,600.00 and Y = 449,218.00; thence South 14,061.00 feet to a point having Coordinates of X = 2,620,600.00 and Y = 435,157.00; thence West 9,757.02 feet to the point of beginning, containing approximately **1,033 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone), where applicable.

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

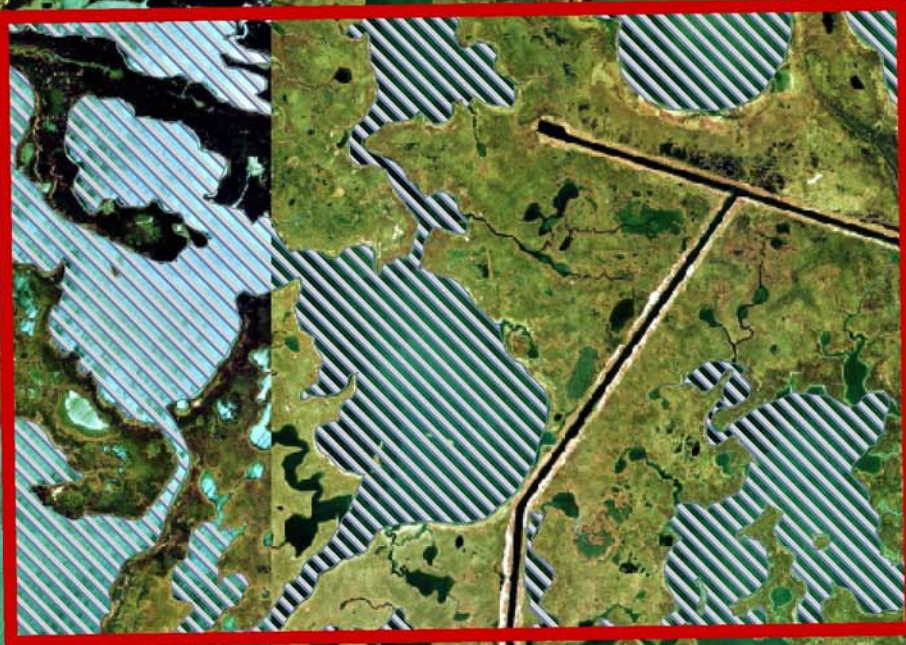


CHANDELEUR
SOUND AREA

BLOCK CS0022

BLOCK CS0023

SL 17960



T14S - R18E

T13S - R18E

ST BERNARD PARISH

P.O.B.
X=2,610,842.98
Y=435,157.00

TRACT 36789 - Portion of Block 21, Chandeleur Sound Area, St. Bernard Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on October 13, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Southwest corner of Block 21, Chandeleur Sound Area having Coordinates of X = 2,635,350.00 and Y = 440,330.00; thence North 7,375.00 feet along the West line of said Block 21 to a point having Coordinates of X = 2,635,350.00 and Y = 447,705.00; thence East 14,750.00 feet to a point on the East line of said Block 21 having Coordinates of X = 2,650,100.00 and Y = 447,705.00; thence South 7,375.00 feet along the East line of said Block 21 to its Southeast corner having Coordinates of X = 2,650,100.00 and Y = 440,330.00; thence West 14,750.00 feet along the South line of said Block 21 to the point of beginning, containing approximately **1,747 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone), where applicable.

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns,

shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |



DRUM BAY

ST BERNARD PARISH

CHANDELEUR SOUND AREA

T13S - R19E

BLOCK CS0021

BLOCK CS0024

T14S - R19E

P.O.B.
X=2,635,350.00
Y=440,330.00

Feet

2,000

0

2,000

TRACT 36790 - Portion of Block 20, Chandeleur Sound Area, St. Bernard Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on October 13, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Southeast corner of Block 20, Chandeleur Sound Area having Coordinates of X = 2,664,850.00 and Y = 440,330.00; thence West 14,750.00 feet along the South line of said Block 20 to its Southwest corner having Coordinates of X = 2,650,100.00 and Y = 440,330.00; thence North 7,375.00 feet along the West line of said Block 20 to a point having Coordinates of X = 2,650,100.00 and Y = 447,705.00; thence East 14,750.00 feet to a point on the East line of said Block 20 having Coordinates of X = 2,664,850.00 and Y = 447,705.00; thence South 7,375.00 feet along the East line of said Block 20 to the point of beginning, containing approximately **1,873 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone), where applicable.

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns,

shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |



ST BERNARD PARISH

CHANDELEUR SOUND AREA

BLOCK CS0020

T13S - R19E

T14S - R19E

BLOCK CS0025

P.O.B.
X=2,664,850.00
Y=440,330.00



TRACT 36791 - Portion of Block 19, Chandeleur Sound Area, St. Bernard Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on October 13, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Southwest corner of Block 19, Chandeleur Sound Area having Coordinates of X = 2,664,850.00 and Y = 440,330.00; thence North 7,375.00 feet along the West line of said Block 19 to a point having Coordinates of X = 2,664,850.00 and Y = 447,705.00; thence East 14,750.00 feet to a point on the East line of said Block 19 having Coordinates of X = 2,679,600.00 and Y = 447,705.00; thence South 7,375.00 feet along the East line of said Block 19 to its Southeast corner having Coordinates of X = 2,679,600.00 and Y = 440,330.00; thence West 14,750.00 feet along the South line of said Block 19 to the point of beginning, containing approximately **2,497.27 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone), where applicable.

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns,

shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |



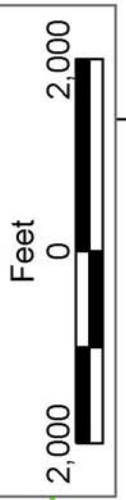
ST BERNARD PARISH

CHANDELEUR SOUND AREA

BLOCK CS0019

SL 17394

P.O.B.
X=2,664,850.00
Y=440,330.00



TRACT 36792 - Portion of Block 22, Chandeleur Sound Area, St. Bernard Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on October 13, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Southeast corner of Block 22, Chandeleur Sound Area having Coordinates of X = 2,635,350.00 and Y = 440,330.00; thence West 14,750.00 feet along the South line of said Block 22 to its Southwest corner having Coordinates of X = 2,620,600.00 and Y = 440,330.00; thence North 7,375.00 feet along the West line of said Block 22 to a point having Coordinates of X = 2,620,600.00 and Y = 447,705.00; thence East 14,750.00 feet to a point on the East line of said Block 22 having Coordinates of X = 2,635,350.00 and Y = 447,705.00; thence South 7,375.00 feet along the East line of said Block 22 to the point of beginning, containing approximately **1,199 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone), where applicable.

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns,

shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |



ST BERNARD PARISH

CHANDELEUR SOUND AREA

T13S - R18E

T14S - R19E

BLOCK CS0022

BLOCK CS0023

P.O.B.
X=2,635,350.00
Y=440,330.00

Feet

2,000

0

2,000

TRACT 36793 - St. Bernard Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on October 13, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,551,766.00 and Y = 435,157.00; thence West 15,476.00 feet to a point having Coordinates of X = 2,536,290.00 and Y = 435,157.00; thence North 3,949.34 feet to a point having Coordinates of X = 2,536,290.00 and Y = 439,106.34; thence North 67 degrees 50 minutes 17 seconds East 14,974.27 feet to a point having Coordinates of X = 2,550,158.00 and Y = 444,755.00; thence South 3,855.00 feet to a point having Coordinates of X = 2,550,158.00 and Y = 440,900.00; thence East 1,608.00 feet to a point having Coordinates of X = 2,551,766.00 and Y = 440,900.00; thence South 5,743.00 feet to the point of beginning, containing approximately **457 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone), where applicable.

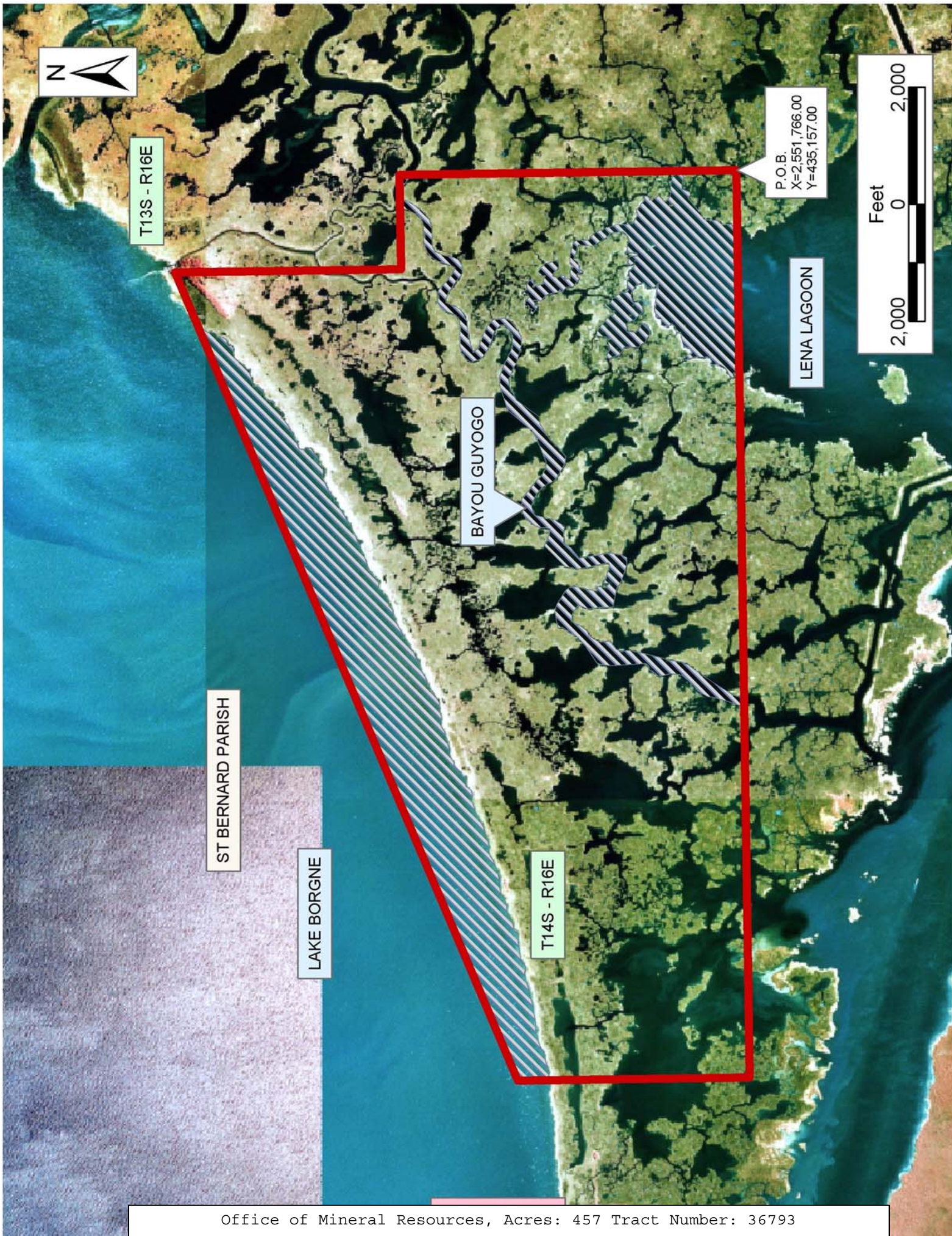
NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |



TRACT 36794 - Portion of Block 23, Chandeleur Sound Area, St. Bernard Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on October 13, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Northeast corner of Block 23, Chandeleur Sound Area having Coordinates of X = 2,635,350.00 and Y = 440,330.00; thence South 7,375.00 feet along the East line of said Block 23 to a point having Coordinates of X = 2,635,350.00 and Y = 432,955.00; thence West 7,234.53 feet to a point on the East line of State Lease No. 17960 having Coordinates of X = 2,628,115.47 and Y = 432,955.00; thence along the boundary of said State Lease No. 17960 the following courses: North 00 degrees 57 minutes 18 seconds West 830.50 feet, North 87 degrees 54 minutes 57 seconds West 751.47 feet, South 88 degrees 09 minutes 13 seconds West 5,135.49 feet and South 85 degrees 38 minutes 58 seconds West 1,622.52 feet to a point on the North line of said State Lease No. 17960, also being a point on the West line of said Block 23 having Coordinates of X = 2,620,600.00 and Y = 433,524.17; thence North 6,805.83 feet along the West line of said Block 23 to its Northwest corner having Coordinates of X = 2,620,600.00 and Y = 440,330.00; thence East 14,750.00 feet along the North line of said Block 23 to the point of beginning, containing approximately **1,605 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone), where applicable.

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

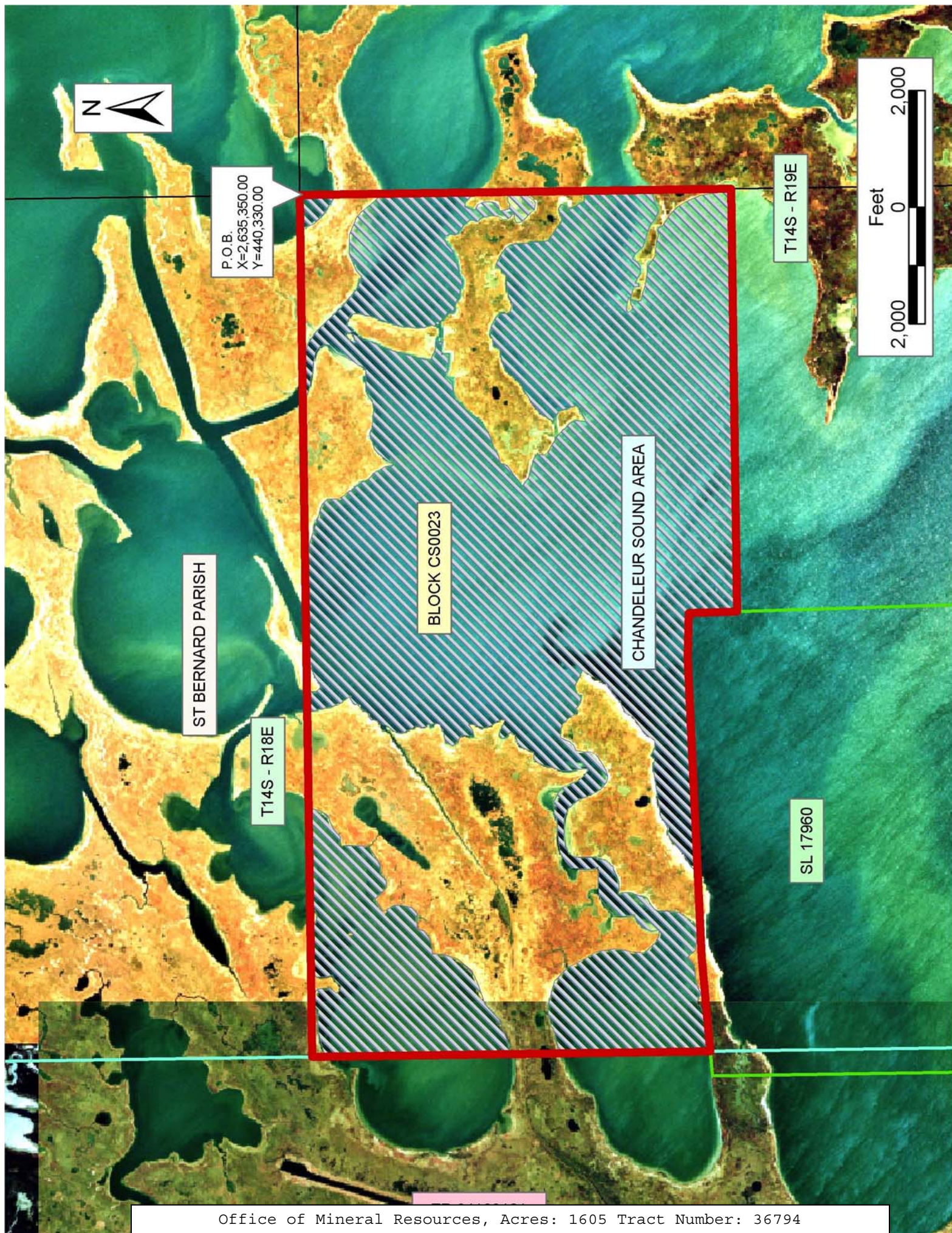
NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |



TRACT 36795 - Portion of Block 24, Chandeleur Sound Area, St. Bernard Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on October 13, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at the Northwest corner of Block 24, Chandeleur Sound Area having Coordinates of X = 2,635,350.00 and Y = 440,330.00; thence East 14,750.00 feet along the North line of said Block 24 to its Northeast corner having Coordinates of X = 2,650,100.00 and Y = 440,330.00; thence South 7,375.00 feet along the East line of said Block 24 to a point having Coordinates of X = 2,650,100.00 and Y = 432,955.00; thence West 14,750.00 feet to a point on the West line of said Block 24 having Coordinates of X = 2,635,350.00 and Y = 432,955.00; thence North 7,375.00 feet along the West line of said Block 24 to the point of beginning, containing approximately **1,978 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone), where applicable.

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The Office of Mineral Resources will require a minimum bonus of \$230 per acre and a minimum royalty of 23%.

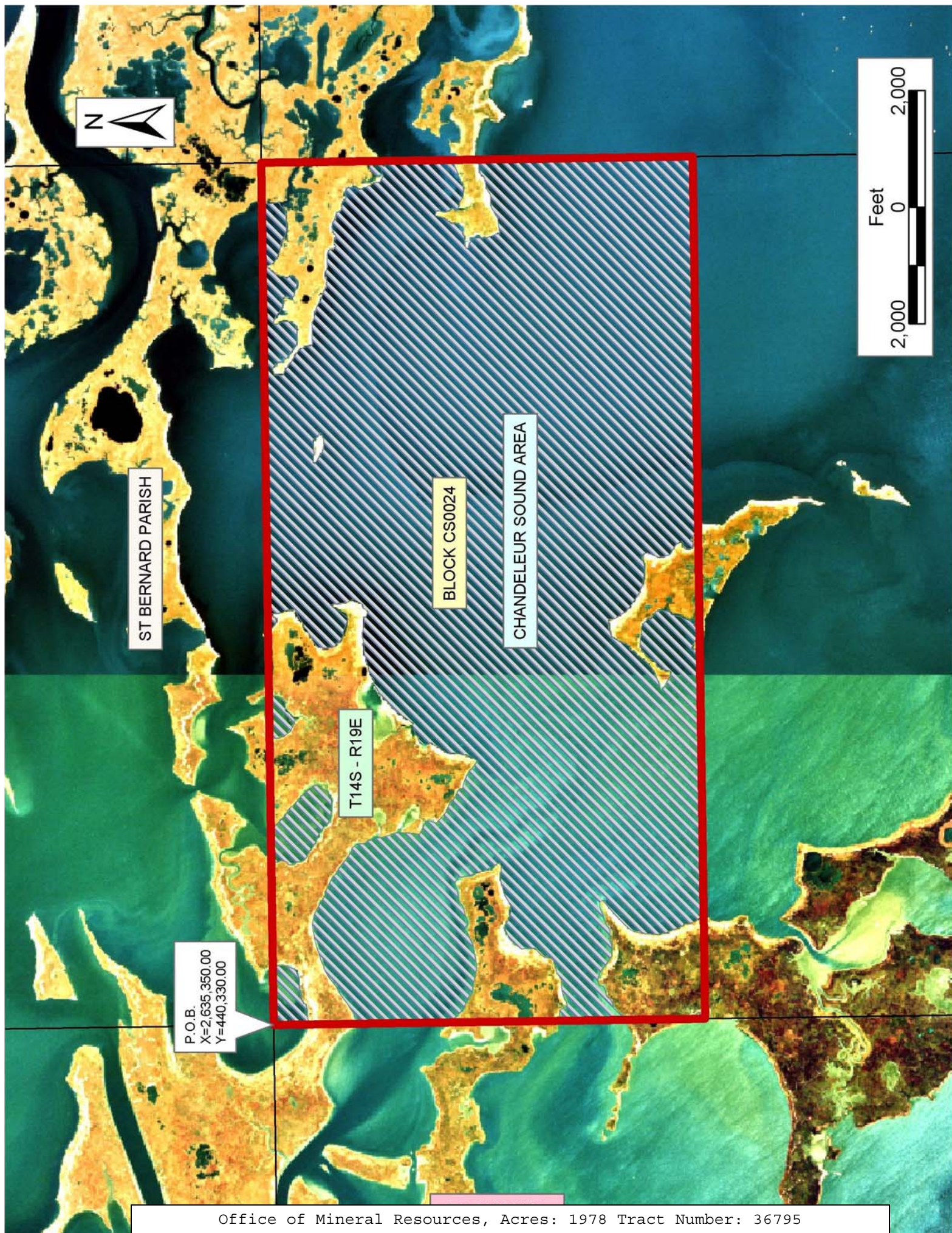
NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns,

shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |



ST BERNARD PARISH

T14S - R19E

BLOCK CS0024

CHANDELEUR SOUND AREA

P.O.B.
X=2,635,350.00
Y=440,330.00

TRACT 36796 - St. Bernard Parish, Louisiana

All of the lands now or formerly constituting the beds and bottoms of all water bodies of every nature and description the title of which vests in the State of Louisiana, together with all islands arising therein and other lands formed by accretion or by reliction, where allowed by law, excepting tax adjudicated lands, and not presently under mineral lease on October 13, 2004, situated in St. Bernard Parish, Louisiana, and more particularly described as follows: Beginning at a point having Coordinates of X = 2,551,766.00 and Y = 435,157.00; thence North 5,743.00 feet to a point having Coordinates of X = 2,551,766.00 and Y = 440,900.00; thence East 1,405.20 feet to a point on the boundary of the Biloxi Wildlife Management Area having Coordinates of X = 2,553,171.20 and Y = 440,900.00; thence along the boundary of said Biloxi Wildlife Management Area the following courses and distances: Southerly, Southeasterly, Easterly, Northeasterly, Southwesterly, North 87 degrees 26 minutes 39 seconds East 1,046.33 feet, North 88 degrees 03 minutes 43 seconds East 3,157.83 feet, North 88 degrees 00 minutes 03 seconds East 561.19 feet, North 87 degrees 59 minutes 58 seconds East 1,309.44 feet, North 88 degrees 04 minutes 08 seconds East 199.74 feet, North 02 degrees 08 minutes 28 seconds West 869.29 feet and North 02 degrees 12 minutes 43 seconds West 2,174.45 feet to a point on the boundary of said Biloxi Wildlife Management Area having Coordinates of X = 2,563,085.42 and Y = 440,900.00; thence East 4,156.58 feet to a point on the West line of State Lease No. 17958 having Coordinates of X = 2,567,242.00 and Y = 440,900.00; thence South 5,743.00 feet along the West line of said State Lease No. 17958 to its Southwest corner having Coordinates of X = 2,567,242.00 and Y = 435,157.00; thence West 15,476.00 feet to the point of beginning, **LESS AND EXCEPT** any portion of the Biloxi Wildlife Management Area that may lie within the above described tract, containing approximately **129 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. All bearings, distances and coordinates are based on Louisiana Coordinate System of 1927, (North or South Zone), where applicable.

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

NOTE: The Department of Wildlife and Fisheries has designated certain areas in the coastal waters of the State of Louisiana as Oyster Seed Bed Areas. The exact location of those Seed Bed Areas must be obtained from the Department of Wildlife and Fisheries and any work done under a mineral lease from the State of Louisiana may necessarily be conducted in conformity with the rules and regulations promulgated by the said Department of Wildlife and Fisheries for Oyster Seed Bed Areas.

Applicant: Kare-Sue Energy, Inc.

| Bidder | Cash Payment | Price/ Acre | Rental | Oil | Gas | Other |
|--------|-----------------|----------------|--------|-----|-----|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

